

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TOYS ‘R’ US, INC. *et al.*,
Plaintiffs,

-v-

AMIC TRADING (PTY) LTD,
Defendant.

19-CV-7733 (JPO)

ORDER

J. PAUL OETKEN, District Judge:

The parties in this case attempted to execute a settlement agreement, and Defendant performed what it believed to be its obligations under the agreement. Plaintiffs later informed the Court that the parties’ settlement negotiations had been subject to a man-in-the-middle cyberattack and that Defendant’s performance did not accord with Plaintiffs’ version of the agreement. Defendant brought a separate action to enforce the shared terms of the settlement agreement and moved for a stay of the claims in this case. Because the parties’ dispute over the enforceability of the settlement agreement presents a novel question of law and is non-frivolous, and resolution of the separate action in favor of Defendant would wholly resolve the claims in this case, a stay, pending the resolution of the separate action, is warranted to avoid unnecessary litigation. *See LaSala v. Needham & Co.*, 399 F. Supp. 2d 421, 427 (S.D.N.Y. 2005) (explaining that courts have the inherent power to stay a case “pending the outcome of proceedings which bear upon the case”).

Additionally, Plaintiffs moved to join TRU Kids Inc. as a plaintiff in this litigation. TRU Kids is the assignee of the parties’ licensing agreement, which is central to the claims in this case, and is a party to the disputed settlement agreement. Defendant does not oppose joinder. The Court agrees with Plaintiffs that joinder of TRU Kids would mitigate the “risk [of]

subsequent duplicative litigation” over the licensing agreement and is appropriate under Federal Rule of Civil Procedure 19(a)(1). *Pay Tel Sys., Inc. v. Seiscor Techs., Inc.*, 850 F. Supp. 276, 278 (S.D.N.Y. 1994).

For the foregoing reasons, Defendant’s motion to stay the case pending resolution of its action to enforce the settlement agreement is GRANTED, and Plaintiffs’ motion for joinder is GRANTED. The Clerk of Court is directed to close the motions at Docket Numbers 17 and 21.

SO ORDERED.

Dated: January 26, 2021
New York, New York



J. PAUL OETKEN
United States District Judge